LRB093 10959 MKM 12456 a

- 1 AMENDMENT TO SENATE BILL 73
- 2 AMENDMENT NO. ____. Amend Senate Bill 73, AS AMENDED, by
- 3 replacing everything after the enacting clause with the
- 4 following:
- 5 "Section 1. Short title. This Act may be cited as the
- 6 Public Service Accountability Act.
- 7 Section 5. Legislative intent. The legislature finds
- 8 that using private contractors to provide public services
- 9 formerly provided by public employees does not always promote
- 10 the public interest. To ensure that citizens of this State
- 11 receive high quality public services at a low cost, with due
- 12 regard for the taxpayers of this State, the service
- 13 recipients, and the needs of public and private workers, the
- 14 legislature finds it necessary to regulate privatization
- 15 contracts and to protect those workers who report conditions
- 16 and practices that impact on the efficiency and quality of
- 17 public services provided by private contractors. The
- 18 legislature further finds it necessary to ensure that access
- 19 to public information guaranteed by the Freedom of
- 20 Information Act is not in any way hindered by the fact that
- 21 public services are provided by private contractors.

1 Section 10. Definitions. For purposes of this Act:

2 "State agency" or "agency" means executive offices,

3 departments, divisions, bureaus, authorities, bodies

corporate and public of the State, boards, commissions, or

other offices or officers in the executive branch of State

6 government.

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7 "Employee of a private contractor" means a worker

8 directly employed by a private contractor or subcontractor or

9 an independent contractor that provides supplies or services

to a private contractor. This term includes former employees

of a private contractor or subcontractor and former

independent contractors.

"Discrimination or retaliation" means a threat,

14 intimidation, or any adverse change in an employee's wages,

benefits, or terms or conditions of employment as a result of

the employee reporting a violation of this Act. In the case

of a person who is not an employee of the private contractor,

18 this term includes any adverse action taken against the

person or the person's employer as a result of reporting a

violation of this Act, including the cancellation of or

refusal to renew a contract with the person or the person's

22 employer.

"Services" means, with respect to a private contractor,

24 all aspects of the provision of services provided by a

25 private contractor pursuant to a privatization contract, or

26 any services provided by a subcontractor of a private

27 contractor.

28 "Person" means an individual, corporation, partnership,

29 firm, organization or association acting individually or as a

30 group, institution, federal, State, or local governmental

31 entity, or any other public or private entity.

32 "Privatization contract" means an agreement or

33 combination or series of agreements by which a

34 non-governmental person or entity agrees with a State agency

- 2 substantially similar to and in lieu of services that have
- 3 been provided or that could have been provided, in whole or
- 4 in part, by regular employees of an agency and that result in
- 5 the reduction in force of at least one permanent, classified
- 6 employee. This Act shall not apply to contracts if any of the
- 7 following apply:

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8 (1) The services are not available within the 9 agency or are of such a highly specialized or technical 10 nature that the necessary knowledge, skills, or expertise

is not available within the agency;

- (2) The services are incidental to a contract for the purchase or lease of real or personal property;
- (3) There is a demonstrated need for an independent audit, review, or investigation;
- (4) The State is not able to provide equipment, materials, facilities, or support services in the location where the services are to be performed;
- (5) The contract is for professional services that are typically rendered on a case-by-case or project-by-project basis, such as legal, professional engineering, structural engineering, land surveying, or architectural services, and the services are: (i) limited to the duration of the project, normally not to exceed 2 years, or (ii) are provided on an intermittent basis for the duration of the contract.
- (6) The need for services is urgent, temporary, or occasional, such that the time necessary to hire and train employees would render obtaining the services from State employees imprudent. The contract for urgent, temporary, or occasional services shall be limited to 90 days' duration, with any extension subject to review and approval;
 - (7) Efforts to recruit State employees to perform

- work authorized by law have failed because no applicant meeting the minimum qualifications has applied for the job;
- 4 (8) The contract is for services of private 5 counsel;
- 6 (9) The contract is for services for training
 7 courses that can not be provided by current State
 8 employees;
 - (10) There is a conflict of interest; or

- 10 (11) The agreement was entered into prior to the
 11 effective date of this Act, including any agreement
 12 resulting from a rebidding or previously privatized
 13 service or an agreement renewing or extending a
 14 privatization contract.
- "Private contractor" means any entity that enters into a privatization contract as that term is defined in this Section.
- 18 "Public employee" means an employee of any State 19 department or agency.
- 20 "Public record" means a public record as defined in the 21 Freedom of Information Act, and also includes any document 22 relating to the privatization contract or performance under 23 the privatization contract, prepared, received, or retained by a contractor or subcontractor whether that document be 24 25 handwritten, typed, tape-recorded, printed, photocopied, photographed, or recorded by any other method but excluding 26 those documents that would be considered as exemptions under 27 the Freedom of Information Act which include trade secrets, 28 29 bid proposals, formulae, and designs.
- 30 "Subcontractor" means a subcontractor of a private 31 contractor for work under a privatization contract or an 32 amendment to a privatization contract.
- 33 Section 15. Privatization contracts; requirements.

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- 1 (a) No State agency shall make any privatization 2 contract and no privatization contract shall be valid unless agency and the contractor comply with the State 4 requirements of this Act, including listing those specified provisions in the privatization contract as required by this 5 б Act.
 - The State agency shall prepare a specific written (b) statement of the services to be provided under privatization contract, including the specific quantity standard of quality of the subject services. The agency shall solicit competitive sealed bids for the privatization contract based upon this statement. This statement shall be a public record, shall be filed in the agency, and shall be in the State register not later than 30 business published days prior to the date on which bids are due. designated by the agency for accepting these sealed bids shall be the same for all parties.

(c) Every bid shall detail:

- (1) The length of continuous employment of current employees with the contractor by job classification, without identifying employee names, for each similar or comparable position in which a bidder will employ any person pursuant to the privatization contract and for which the duties are substantially similar to the duties performed by a regular agency employee or employees. addition, the contractor may submit information detailing relevant prior experience of employees within each job classification. If the positions identified by the bidder shall be newly created, the bid shall identify the minimum requirements for prospective applicants for each of these position;
 - (2) The annual rate of current staff turnover;
- (3) The number of hours of training planned for each employee in subject matters directly related to providing

services to State residents and clients;

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- (4) any legal complaints issued by an enforcement agency of this state or any other State for alleged violations of applicable federal, state, or local rules, regulations, or laws, including laws governing employee safety and health, labor relations, and other employment requirements, and any citations, court findings, or administrative findings for violations of federal, state, or local rules, regulations, or laws. The information must include: (i) the date; (ii) the enforcement agency; (iii) the rule, law, or regulation involved; and (iv) any additional information the contractor may wish to submit;
- (5) any collective bargaining agreements or personnel policies covering the employees that provide services to the State; and
- (6) political contributions made by the bidder or any employee in a management position with the bidding company to any elected officer of the State or member of the State legislature during the 4 years prior to the due date of the bid.
- (d) For each position in which a contractor will employ a person pursuant to the privatization contract, the minimum compensation to be paid for the position shall be:
 - (1) the greater of the wage rate paid at step one of the grade or classification under which an agency employee whose duties are most similar is paid plus provision of comparable health insurance and pension contributions equivalent to the benefit paid by the agency for those employees or the cash value of the benefit; or
 - (2) the private sector compensation rate, or prevailing rate, including the value of health and other benefits, for that position as determined by the Department of Labor.

- 1 (e) The term of any privatization contract shall not 2 exceed 2 years.
- 3 (f) No amendment to a privatization contract shall be 4 valid if it has the purpose or effect of avoiding any of the 5 requirements of this Act.
- Every privatization contract shall contain 6 (g)7 requiring the contractor to offer available provisions 8 employee positions pursuant to the contract to qualified 9 regular employees of the agency whose State employment is terminated because of the privatization contract. Every 10 11 contract shall also contain provisions requiring the contractor to comply with a policy of nondiscrimination and 12 equal employment opportunity for all persons and to take 13 affirmative steps to provide equal opportunity for all 14 15 persons.
- 16 (h) Every privatization contract shall provisions regarding the process for determining whether or 17 18 not to disclose a particular record or type of record. 19 privatization contract shall specify who is responsible for determining whether or not disclosure is required and shall 20 21 outline the liability of the parties to the contract for failure to disclose as required by either the Freedom of 22 23 Information Act or this Act.
- 24 Section 20. Review of contract costs.
- 25 (a) Any State agency considering whether to enter into a 26 privatization contract shall prepare a comprehensive written 27 estimate of the costs of regular agency employees' providing the subject services in the most cost-efficient manner. 28 estimate shall include all direct and indirect costs of 29 regular agency employees providing the subject services 30 31 including, but not limited to, pension, insurance, and other employee benefit costs. Upon completion of the cost estimate, 32 33 the State agency shall notify any employee organization

1 representing agency employees who may be affected and provide

2 a copy of the written estimate and notification of

consideration to enter into a privatization contract. For the

4 purposes of this estimate, any employee organization may

propose amendments to any relevant collective bargaining

agreement to which it is a party. An employee organization

must submit amendments for consideration within 35 working

days prior to the final day for the agency to receive sealed

bids. This estimate shall remain confidential until after the

final day for the agency to receive sealed bids for the

privatization contract at which time the estimate shall

become a public record, shall be filed with the agency, and

shall be published in the State register.

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following:

Any State agency required to complete a written estimate of costs evaluation as detailed in subsection (a) of this Section shall also prepare a community impact evaluation that shall be submitted to the General Assembly when the issuance of a privatization contract would result in the closure of a State facility or the layoff of the lesser of 50 employees or 50% of the staff of a State facility or agency. A community impact evaluation shall also be submitted to the General Assembly when a private entity that privatization contract with a State agency seeks to layoff the lesser of 50 employees or 50% of the staff performing work pursuant to the privatization contract. Any time a community impact evaluation is required pursuant to this Act, a report shall be presented to the General Assembly no months prior to the planned issuance of privatization contract or the implementation of a facility closure or the layoff of employees. The community impact evaluation shall be in the form of a report to the General

(1) State revenues expected to be saved as a result

Assembly and shall include, but not be limited to, the

of the proposed layoff or facility or agency closing;

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- (2) the rationale for the layoff or facility or agency closing;
- (3) the function and duties of the State employees that will be laid-off;
- (4) whether the function and duties of the State employees to be laid-off will be performed by another section of State government, and if so, which section;
- (5) the economic impact on the community where the proposed layoff or closure of a facility or agency is located;
- (6) the analyses of current and projected economic and labor conditions of the communities affected by the proposed layoff or facility or agency closure;
- (7) any other data that pertains to the economic and labor impacts on Illinois communities as a result of the proposed layoff or facility or agency closing; and
- (8) any other data that the General Assembly may request concerning the proposed layoff or facility or agency closing.
- shall publicly designate the bidder to which it proposes to award the privatization contract. In selecting a contractor, the agency shall consider the contractors' past performance and its record in this State or any other state of compliance with federal, state, and local laws, including the disclosures and certification requirements required by this Act. A bidder who does not satisfy the disclosure and certification requirements of this Section shall not be awarded a privatization contract under this Act.
- 31 (d) The agency shall prepare a comprehensive written 32 analysis of the contract cost based upon the designated bid, 33 specifically including the costs of transition from public to 34 private operation, of additional unemployment and retirement

- 1 benefits, if any, and of monitoring and otherwise
- 2 administering contract performance. If the designated bidder
- 3 proposes to perform any or all of the contract outside the
- 4 boundaries of the State, the contract cost shall be increased
- 5 by the amount of income tax revenue, if any, that will be
- 6 lost to the State by the corresponding elimination of agency
- 7 employees, as determined by the Department of Revenue to the
- 8 extent that it is able to do so.

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- 9 (e) The head of the agency shall certify in writing 10 that:
- 11 (1) he or she has complied with all provisions 12 of this Section and of all other applicable laws;
 - (2) the quality of the services to be provided by the designated bidder is likely to satisfy the quality requirements of the statement prepared pursuant to this Act, and to equal or exceed the quality of services that could be provided by regular agency employees;
 - (3) the contract cost will be at least 10% less than the estimated cost, taking into account all comparable types of costs and all the additional costs of the contract as specified in this Act; and
 - (4) the proposed privatization contract is in the public interest and meets the applicable quality and fiscal standards set forth in this Act.

Any privatization contract entered into by a State agency and the agency certification described above shall be a public record and subject to disclosure pursuant to the Freedom of Information Act.

- 30 Section 25. Monitoring and enforcement of privatization 31 contracts.
- 32 (a) No contractor shall award a subcontract for work 33 under a contract or an amendment to a contract without the

- 1 approval of the selection of the subcontractor and the
- 2 provisions of the subcontract by agency head or his or her
- 3 designee.
- 4 (b) Each contractor shall file a copy of executed
- 5 subcontract or amendment to the subcontract with the agency.
- 6 The agency shall maintain the subcontract or amendment as a
- 7 public record.
- 8 (c) Any private contractor awarded a privatization
- 9 contract, and any subcontractor to a private contractor
- 10 subject to these provisions, shall file with the agency head
- 11 copies of financial audits of the private contractor prepared
- 12 by independent, certified public auditors at least annually
- during the course of the contract term.
- 14 (d) All privatization contracts shall include a contract
- 15 provision specifying that in order to determine compliance
- 16 with these principles, as well as the contract, the private
- 17 contractor shall be required to provide the State or its
- 18 agents reasonable access through representatives of the
- 19 private contractor to facilities, records, and employees that
- 20 are used in conjunction with the provision of contract
- 21 services, except where prohibited by federal or State laws,
- 22 regulations, or rules.
- 23 (e) The private contractor shall submit a report, not
- 24 less than annually during the term of the privatization
- 25 contract, detailing the extent to which the contractor has
- 26 achieved the specific quantity and standard of quality of the
- 27 subject services as specified by the agency and its
- 28 compliance with all federal, State, and local laws including
- 29 any complaints, citations, or findings issued by
- 30 administrative agencies or courts.
- 31 (f) The State agency may seek contractual remedies for
- 32 any violation of a privatization contract. In addition, if a
- 33 contractor fails to comply with the wage standards,
- 34 employment provisions or union provisions in this Act, any

- 1 person or entity aggrieved by the violation may bring a claim
- 2 for equitable and other relief including backpay. In any
- 3 lawsuit brought for reasons listed in this subsection, an
- 4 aggrieved person or entity shall be entitled to costs and
- 5 attorney fees.
- 6 Section 30. Compliance; privacy actions.
- 7 (a) Public records that a contractor, subcontractor,
- 8 employee, or agent possesses, modifies, or creates pursuant
- 9 to a privatization contract shall at all times and for all
- 10 purposes remain the property of the State. A contractor,
- 11 subcontractor, employee, or agent of a contractor or
- 12 subcontractor shall have no ownership rights or interest in
- 13 any public records that the contractor, subcontractor,
- 14 employee, or agent possesses, modifies, or creates pursuant
- 15 to a contract, subcontract, or amendment to a contract or
- 16 subcontract and shall not impair the integrity of any public
- 17 record that the contractor, subcontractor, employee, or agent
- 18 possesses or creates.
- 19 (b) Any public record that a State agency provides to a
- 20 contractor or subcontractor or that a contractor or
- 21 subcontractor creates shall be and remain a public record for
- 22 the purposes of the Freedom of Information Act and the
- 23 enforcement provisions of that law shall apply to any failure
- 24 to disclose records under this Section.
- 25 (c) A private contractor who fails to disclose a record
- 26 that the privatization contract requires to be disclosed or
- 27 that the State agency directs to be disclosed shall be liable
- 28 to the State agency for any fines or penalties assessed
- 29 against the agency for the violation of the Freedom of
- 30 Information Act concerning that record.
- 31 (d) No contractor or subcontractor or employee or agent
- 32 of a contractor or subcontractor shall disclose to the public
- 33 any public records that it possesses, modifies, or creates

- pursuant to a contract, subcontract, or amendment to a
 contract and that the State agency:
- 3 (1) is prohibited from disclosing pursuant to State 4 or federal law in all cases;

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- (2) may disclose pursuant to State or federal law only to certain entities or individuals or under certain conditions; or
- (3) may withhold from disclosure pursuant to State or federal law. No provision of this subsection shall be construed to prohibit any contractor from disclosing public records to any of its subcontractors to carry out the purposes of its subcontract.
- (e) No contractor, subcontractor, employee, or agent of a contractor or subcontractor shall sell, market, or otherwise profit from the disclosure or use of any public records that are in its possession pursuant to a contract, subcontract, or amendment to a contract or subcontract, except as authorized in the contract, subcontract, or amendment.
 - (f) Any contractor or subcontractor, or employee or agent of a contractor or subcontractor, that learns of any violation of the provisions of this Act shall, no later than 7 calendar days after learning of the violation, notify the agency head and the Attorney General of the violation.
- In addition to any remedies provided under 24 25 Freedom of Information Act, if any person violates any provision of subsections (a) or (b) of this Section, the 26 Attorney General may bring an action against that person 27 seeking damages on behalf of the State for the violation, 28 29 restitution for damages suffered by any person as a result of 30 the violation, or imposition and recovery of a civil penalty of not more than \$50,000 for the violation. 31
- In addition to the remedies that may be brought by the
 Attorney General, any person aggrieved by a violation of any
 provision of subsections (a) or (b) of this Section may bring

- 1 an action in any State court to recover any damages suffered
- 2 as a result of the violation.
- In any action brought under this subsection, the court
- 4 may:
- 5 (1) order disgorgement of any profits or other 6 benefits derived as a result of a violation of any
- 7 provision of subsections (a) or (b) of this Section;
- 8 (2) award punitive damages, costs, and reasonable 9 attorneys fees; and
- 10 (3) order injunctive or other equitable relief.
- 11 Proof of public interest or public injury shall not be
- required in any action brought under this subsection (g).
- No action may be brought more than 3 years after the
- occurrence of the violation.
- 15 Any person who knowingly and willfully violates any
- 16 provision of subsections (a) or (b) shall be guilty of a
- 17 Class 3 felony.
- 18 Section 35. Prohibition against discrimination.
- 19 (a) No person shall retaliate or discriminate in any
- 20 manner against any public employee or employee of a private
- 21 contractor because that employee, or any person acting on
- 22 behalf of the employee, acting in good faith:
- 23 (1) engaged in any disclosure of information
- 24 relating to the services provided by a private contractor
- 25 pursuant to a privatization contract;
- 26 (2) advocated on behalf of service recipients with
- 27 respect to the care or services provided by the private
- 28 contractor; or
- 29 (3) initiated, cooperated, or otherwise participated
- in any investigation or proceeding of any governmental
- 31 entity relating to the services provided pursuant to a
- 32 privatization contract.
- 33 (b) No person shall retaliate or discriminate in any

- 1 manner against any public employee or employee of a private
- 2 contractor because the employee has attempted or has an
- 3 intention to engage in an action described in subsection (a)
- 4 of this Section.
- 5 (c) No person shall by contract, policy, or procedure
- 6 prohibit or restrict any employee of a private contractor
- 7 from engaging in any action for which a protection against
- 8 discrimination or retaliation is provided under this Section.
- 9 (d) This Section does not protect disclosures that would
- 10 violate federal or State law or diminish or impair the rights
- of any person to the continued protection of confidentiality
- of communications provided by State or federal law.
- (e) With respect to the conduct described in subsection
- 14 (a) of this Section, an employee of a private contractor
- shall be considered to be acting in good faith if the
- 16 employee reasonably believes that the information is true and
- 17 the information disclosed by the employee: (i) evidences a
- 18 violation of any law, rule, or regulation, or of a generally
- 19 recognized professional or clinical standard; or (ii) relates
- 20 to the care, services, or conditions that potentially
- 21 endanger one or more recipients of service or employees
- 22 employed pursuant to a privatization contract.
- 23 (f) The identity of an employee of a private contractor
- 24 who complains in good faith to a government agency or
- department or any member or employee of the State legislature
- 26 about the quality of services provided by a private
- 27 contractor shall remain confidential and shall not be
- 28 disclosed by any person except upon the knowing written
- 29 consent of the employee of the private contractor and except
- 30 in the case where there is imminent danger to health or
- 31 public safety or an imminent violation of criminal law.
- 32 (g) Any current or former public employee or employee of
- 33 a private contractor who believes that he or she has been
- 34 retaliated or discriminated against in violation of

- 1 subsections (a), (b), or (c) of this Section may file a civil
- 2 action in any State court of competent jurisdiction against
- 3 the person believed to have violated these subsections.
- 4 (h) If the court determines that a violation of this
- 5 Section has occurred, the court shall award any damages that
- 6 result from the unlawful act or acts, including compensatory
- damages, reinstatement, reimbursement of any wages, salary,
- 8 employment benefits, or other compensation denied or lost to
- 9 such employee by reason of the violation, as well as punitive
- damages, attorneys' fees, and costs, including expert witness
- 11 fees. The court shall award interest on the amount of damages
- 12 awarded at the prevailing rate.
- 13 (i) The court may issue temporary, preliminary, and
- 14 permanent injunctive relief restraining violations of this
- 15 Act, including the restraint of any withholding of the
- 16 payment of wages, salary, employment benefits, or other
- 17 compensation, plus interest, found by the court to be due and
- 18 the restraint of any other change in the terms and conditions
- of employment and may award any other equitable relief as may
- 20 be appropriate, including employment, reinstatement, and
- 21 promotion.
- 22 (j) An action may be brought under this subsection not
- 23 later than 2 years after the date of the last event
- 24 constituting the alleged violation for which the action is
- 25 brought.
- 26 (k) Any person who violates a provision of subsections
- 27 (a), (b), or (c) of this Section shall be subject to a civil
- 28 penalty of not to exceed \$10,000 for each violation. In
- 29 determining the amount of any penalty under this subsection,
- 30 the appropriateness of the penalty to the size of the
- 31 business of the person charged and the gravity of the
- 32 violation shall be considered. The amount of any penalty
- 33 under this subsection, when finally determined, may be
- 34 deducted from any sums owing by the state to the person

1 charged or ordered to be paid to the employee or employees

2 who suffered retaliation or discrimination, as ordered by the

3 court.

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- 4 In any civil action brought under this Act, the (1) 5 complainant shall have the initial burden of making a prima 6 facie showing that any behavior described in subsections (a), 7 (b), or (c) of this Section was a contributing factor in the adverse action or inaction alleged in the complaint. A prima 8 9 facie case shall be established if the complainant can show that the respondent knew of the complainant's protected 10 11 activities at the time that the alleged unfavorable action or inaction was taken and the discriminatory action occurred 12 13 within a period of time that a reasonable person could conclude that an activity protected by subsections (a), (b), 14 15 or (c) of this Section was a contributing factor in the 16 discriminatory treatment. Once the complainant establishes a prima facie case, the burden shifts to the respondent to 17 18 demonstrate, by clear and convincing evidence, that it would 19 have taken the same adverse action or inaction in the absence of such behavior. 20
- Each private contractor shall post and keep posted, 22 in conspicuous places on its premises where notices 23 employees and applicants for employment are customarily 24 posted, a notice, to be prepared or approved by 25 secretary, setting forth excerpts from, or summaries of, pertinent provisions of this Act and information pertaining 26 to the filing of a charge under this Section. 27 Any employer that willfully violates this Section may be assessed a civil 28 penalty not to exceed \$100 for each separate offense. 29
- 30 Section 40. Nonpreemption. Nothing in this Act preempts 31 any other law, and nothing in this Act shall be construed or interpreted to impair or diminish in any way the authority of 32 33 any locality, municipality or subdivision to enact and

- 1 enforce any law that provides equivalent or greater
- 2 protections for its employees.
- 3 Section 45. Severability. If any provision of this Act
- 4 or its application to any person or circumstances is held to
- 5 be invalid, the invalidity of that provision or application
- 6 does not affect other provisions or applications of this Act
- 7 that can be given effect without the invalid provision or
- 8 application.
- 9 Section 99. Effective date. This Act takes effect upon
- 10 becoming law.".